

negative prior to 2006. Within the sector, fruit and vegetable preparations and miscellaneous food are over-exported (both +16). Under-exporting in the **metals and minerals** sector is driven by aluminum (-29) and precious stones and metals (-23). As in the UAE, pharmaceutical products rank ninth among 53 commodities (+16). Power-generating machinery is the key under-exporter (-32) in the **machinery and electrical** equipment sector.

5.3 Egypt

Key Over-Exports	Key Under-Exports
• Iron and steel and their products	• Precious stones and metals
• Paper and print	• Meat, fish, animals and their products
• Dairy, eggs and honey	• Aluminum
• Ships and boats	• Inorganic chemicals (incl. uranium)

Egypt is a key country in the region, linking Africa and the Middle East, and exercising considerable influence in both regions. It ranks 19th among emerging countries as a destination for Canadian merchandise exports.

The broad competitiveness pattern in Egypt is similar to the global picture, except for the under-exporting in the **aerospace** sector (-7). However, the **metals and minerals** sector, while showing positive comparative advantage in 2008, i.e., over-exporting, had been consistently negative over 2000-07. The positive 2008 performance was due to a sharp increase in Egyptian imports of Canadian iron and steel and their products, which ranked first among 53 commodities (+49). This performance was somewhat offset by under-exporting of precious stones and metals (-31) and aluminum (-19).

Our performance in the **agri-food** sector is on par with the global benchmark, although it is interesting that the dairy, eggs and honey commodity group

(an area of disadvantage for Canadian exporters) is among the top 10 in competitiveness (+22). Meat, fish, animals and their products are under-exported (-34). Strong competitiveness in the **wood and paper** sector is driven by paper and newsprint (+9). **Chemicals** are under-exported, partly due to the under-exporting of inorganic chemicals (-17) and fertilizers (-15). The **miscellaneous manufacturing** sector, although barely over-exporting overall, is an area of interest due to the good export performance in ships and boats, as well as miscellaneous (non-medical/optical) scientific instruments.

Conclusions

Increasing globalization and integration of the world economy is the principal force behind the observed economic rise of the emerging world. The increasing exchange of information and ideas, goods and services, and capital and labour produces many challenges—yet it also produces unprecedented wealth for hundreds of millions in these emerging nations. Their road to prosperity will not be easy—there will be crises, like the current one, that will test the resolve of these nations and their governments to stay the course. Strong foundations for stable, long-term growth will have to be developed, the chief challenge being the progress from input-based and export-based models to a sustained technology-based growth, as it is here that the greatest potential for convergence with the developed world's income and productivity lies. Economists predict that as long as the conditions for sustained growth remain in place (integrated global markets, good governance, macroeconomic stability and sufficiently high saving and, most important, investment rates), the emerging world will continue to catch up with the advanced economies in per capita income, with benefits to both sides.

Sustained growth in these markets will increase their importance for Canada. In BRIC countries alone, a gain of just 0.1 percent in Canadian market share in 2038 would mean a \$29 billion gain in